MEMORANDUM

Department of Environmental Quality
DIVISION OF WATER PROGRAMS COORDINATION
OFFICE OF SPILL RESPONSE AND REMEDIATION

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SUBJECT: Guidance Memorandum Number 02-2008 - Authorization of Remediation Equipment for Reimbursement Using Lease Versus Purchase Analysis

TO: Regional Directors

FROM: Larry Lawson, P.E., Director

DATE: May 23, 2002

COPIES: Regional Groundwater Managers, Andy Hagelin, Fred Cunningham, Betty Lamp, Robyne Bridgman, Steve Williams

Summary:

Effective the date of this memorandum, staff should utilize this guidance to authorize and post approve remediation equipment eligible for reimbursement. Discussions about lease versus purchase evaluations have revealed varied regional approaches when making this determination. For new sites, the guidance clarifies requirements for purchase of remediation equipment through competitive bidding versus leasing of the equipment when seeking reimbursement for these costs. For existing active sites presently using leased equipment, it establishes procedures for determining if further leasing eligible for reimbursement is allowed. The guidance also revises Usual and Customary Rates (UCR) for short term and long term leasing of equipment and requires that reimbursement for leased equipment be based upon actual hours of operation.

This guidance will be incorporated into the next revisions of the Storage Tank Technical Manual and Volume I of The Virginia Petroleum Storage Tank Fund Reimbursement Guidance Manual.

Contact Information:

Should you have any questions or need further assistance on this guidance, please contact Steve Williams (telephone 804.698.4293; e-mail scwilliams@deq.state.va.us) or Fred Cunningham (telephone 804.698.4285;e-mail fkcunningh@deq.state.va.us).

Disclaimer:

This document provides procedural guidance to the DEQ Storage Tank Program staff. This document is guidance only. It does not establish or affect legal rights or obligations. It does not establish a binding norm and is not finally determinative of the issues addressed. Agency decisions in any particular case will be made by applying the State Water Control Law and the implementation regulations on the basis of site-specific facts.

Authorization of Remediation Equipment for Reimbursement Using Lease Versus Purchase Analysis

Statement of the Issue:

Recent discussions about lease versus purchase evaluations have revealed varied regional approaches when making this determination. The monthly lease rates for remediation equipment (*e.g. pumps, blowers, compressors, air strippers, hoses)* listed in DEQ's list of UCRs were not intended for long-term use. Consequently, when this equipment is authorized for long-term use using the current monthly rates, the Fund may reimburse amounts equivalent to many times the purchase price. In these cases, requiring purchase of the equipment through competitive bidding would have resulted in a much lower reimbursed amount. This guidance will limit the Fund's exposure to reimbursing extraordinary amounts for leased equipment.

Determining Whether to Lease or Purchase:

When remediation equipment is projected to be on-site for a cumulative time of more than 8 weeks, it is considered long-term use. In every instance where use of a remediation system or components is projected to be more than 8 weeks but less than a year, a lease v. purchase analysis must be performed to protect the Fund from reimbursing disproportional amounts for remediation components.

However, if remediation system or component use is projected to exceed one year, performing a lease v. purchase analysis is not required if the components are purchased using Reimbursement Program bidding procedures. If leasing is the preferred option, a lease v. purchase analysis must be performed and approved by the regional caseworker.

When the lease v. purchase analysis is required, the option that is believed to result in the lower, overall cost to the Fund must be selected. The lease v. purchase analysis must be performed by the RP or consultant and submitted to the regional caseworker for approval. If leasing is deemed acceptable, the caseworker will authorize the system or components using the long-term hourly rates. The lease v. purchase analysis is a straightforward comparison of the total hourly rental costs to 150% of the purchase amount plus taxes and delivery costs. The total projected operational hours used in the analysis should be consistent with timetables and schedules in the CAP or other phase report. Realistic adjustments for operational efficiency should be used (typically be between 80-90 %). If the analysis shows that the total projected hourly lease costs will exceed 150% of the purchase price, the RP or consultant will be directed to purchase the equipment using Program bidding procedures. The analysis must be included in the appropriate Phase report for approval by the regional caseworker (typically the CAP or CAP Addendum).

Use of Short-term and Long-term Rates

<u>New Long-term Hourly Rates</u>

When the regional caseworker approves leasing as the more cost-effective approach, the long-term hourly rates must be used. The long-term rates must be used to authorize remediation equipment used more than 8 weeks. Reimbursement for long-term rates will be based upon the actual hours of operation, which must be documented (a week of continuous operation equals 168 hours, a month of continuous operation equals 729 hours). However, during the first 30 days (1 month) of operation, start-up problems may be encountered that impact operational time and efficiency. In the first month, staff should verify 100% of the authorized hours if the system operated at least 50% of the pre-authorized time. During the first 30 days (1 month) of operation,

systems that operate less than 50% of the authorized time, only the operational hours documented will be verified.

The method(s) used to measure and document the hours a system operates may be case specific but must be approved by the regional caseworker prior to system start-up. Options for documenting operational time include readings from hour meters on a controlling piece of equipment, telemetry printouts of hours of operation, or operation and maintenance logs.

Long-term rates include the cost for replacement parts and components, but do not include the labor costs to maintain or repair equipment. After system warranties have lapsed, appropriate labor hours for system maintenance and repairs may be authorized. Do not authorize replacement parts or components.

Short-term Daily & Weekly Rates

Daily and weekly M Codes for remediation systems and components will be limited to short-term use of 8 weeks or fewer (see Attachment 1). **Monthly M Codes for remediation equipment have been discontinued and should not be used to authorize equipment.** Daily codes may be use to authorize up to 4 continuous days use and weekly codes may be used to authorize up to 8 weeks use.

In accordance with industry practice, to adequately compensate for varied daily and weekly run times, the short-term rates for some equipment are tiered. These pieces of equipment have 3 daily rates and 3 weekly rates.

Tiers	Operational Time	UCR
• daily rates:	up to 8 hours	100% of 8 hour rate
	9 to 16 hours	150% of 8 hour rate
	17 to 24 hours	200% of 8 hour rate
• weekly rates:	up to 56 hours	100% of 56 hour rate
	57 to 112 hours	150% of 56 hour rate
	113 to 168 hours	200% of 56 hour rate

Reimbursement for short-term rates will be based upon the actual hours of operation. Measurement and documentation of short-term operation may not be required. The regional caseworker will determine documentation requirements.

Maintenance and repair of systems and components that are leased short-term are included in the UCRs. No additional labor hours or equipment should be authorized for reimbursement.

Remediation systems or components without tiered UCRs, are leased on a full day (24 hour) and full week (168 hour) basis.

Existing Sites Leasing Remediation Equipment:

At the sites listed on Attachment 2, the total amount reimbursed for leasing remediation equipment exceeds 150% of the estimated purchase value of the equipment. For these sites, the regional caseworker will advise the claimant/consultant, in writing that:

1. We have audited the claims for their site and found that the total reimbursed amount for remediation equipment exceeds 150% of the estimated purchase price.
2. Authorized monthly units on the current AAF will not be verified.

3. Additional units will not be authorized on subsequent AAFs.
4. The claimant/consultant may rebut our assumption or otherwise demonstrate to the satisfaction of the regional caseworker that the decision to lease was justified and the costs expended are reasonable. Regional caseworker shall request CO assistance in making this determination.
5. Future maintenance, repair, and/or replacement costs (outside of manufacture's warranty) of the equipment are eligible for reimbursement if authorized and verified.

See Attachment 3 for a sample letter. If authorization and verification of remediation equipment have already been discontinued, the staff may elect not to send the letter.

At sites with remediation equipment in long-term use and not identified on the list in Attachment 2, all work that has been *performed* will be reimbursed using the monthly codes and UCRs authorized. If work has been authorized but *not performed*, the Regional caseworker will determine whether the hourly long-term rates or daily/weekly short-term rates apply and re-authorize the work using the appropriate M Codes (see New Long-term Hourly Rates and Short-term Daily and Weekly Rates above). The regional caseworker will notify the RP/consultant, in writing, that new authorization codes and UCRs have been developed. This letter (see Attachment 4 for sample letter) should also state that the remediation equipment will be reauthorized on a new AAF using the new codes. Regional Offices should send this notification letter by July 15, 2002 and complete the transition of these sites to the new AAFs by September 1, 2002.

Post Approval:

The regional caseworker will determine if long or short-term rates apply to equipment that was not pre-authorized, (see New Long-term Hourly Rates and Short-term Daily and Weekly Rates above). AAFs should be returned to the RP or consultant with instructions to resubmit the AAFs using the appropriate new codes and include supporting documentation for any hours claimed.

Note:

- The T Codes currently used for dual phase systems and treatment trains have been replaced by new daily and weekly M Codes for short-term use and hourly M Codes for long-term use.
- Long-term lease rates were not developed for suction, air, and discharge hoses. UCRs for purchase of these items were developed for use when long-term applications are necessary.

M1499	Low Profile Air Stripper - 15 GPM: capable of 98% BTEX removal with blower & motor, control panel, sump pump	Hour	$ 1.55
M1500	Low Profile Air Stripper - 25 GPM: capable of 98% BTEX removal with blower & motor, control panel, sump pump	Hour	$ 2.06
M1501	Low Profile Air Stripper - 50 GPM: capable of 98% BTEX removal with blower & motor, control panel, sump pump	Hour	$ 2.55
M1502	Dual Phase Extraction System - 50-250 CFM: Mobile liquid ring pump and motor, capable of achieving a flow rate of 50-250 CFM at a vacuum of 25" Hg, inlet manifold, drop out tank, seal water reservoir, controls, and all connecting fittings. This task does not include subsurface recovery components or electrical power.	Day	$ 116.00
M1503	Dual Phase Extraction System - 50-250 CFM: Mobile liquid ring pump and motor, capable of achieving a flow rate of 50-250 CFM at a vacuum of 25" Hg, inlet manifold, drop out tank, seal water reservoir, controls, and all connecting fittings. This task does not include subsurface recovery components or electrical power.	Week	$ 580.00
M1504	Dual Phase Extraction System - 50-250 CFM: Mobile liquid ring pump and motor, capable of achieving a flow rate of 50-250 CFM at a vacuum of 25" Hg, inlet manifold, drop out tank, seal water reservoir, controls, and all connecting fittings. This task does not include subsurface recovery components or electrical power.	Hour	$ 1.44
M1505	Dual Phase Extraction System - 250-500 CFM: Mobile liquid ring pump and motor, capable of achieving a flow rate of 50-250 CFM at a vacuum of 25" Hg, inlet manifold, drop out tank, seal water reservoir, controls, and all connecting fittings. This task does not include subsurface recovery components or electrical power.	Day	$ 121.00
M1506	Dual Phase Extraction System - 250-500 CFM: Mobile liquid ring pump and motor, capable of achieving a flow rate of 250-500 CFM at a vacuum of 25" Hg, inlet manifold, drop out tank, seal water reservoir, controls, and all connecting fittings. This task does not include subsurface recovery components or electrical power.	Week	$ 602.00
M1507	Dual Phase Extraction System - 250-500 CFM: Mobile liquid ring pump and motor, capable of achieving a flow rate of 250-500 CFM at a vacuum of 25" Hg, inlet manifold, drop out tank, seal water reservoir, controls, and all connecting fittings. This task does not include subsurface recovery components or electrical power.	Hour	$ 2.21
M1508	Dual Phase Extraction System - 500-850 CFM: Mobile liquid ring pump and motor, capable of achieving a flow rate of 500-850 CFM at a vacuum of 25" Hg, inlet manifold, drop out tank, seal water reservoir, controls, and all connecting fittings. This task does not include subsurface recovery components or electrical power.	Day	$ 135.00
M1509	Dual Phase Extraction System - 500-850 CFM: Mobile liquid ring pump and motor, capable of achieving a flow rate of 500-850 CFM at a vacuum of 25" Hg, inlet manifold, drop out tank, seal water reservoir, controls, and all connecting fittings. This task does not include subsurface recovery components or electrical power.	Week	$ 675.00

M1510	Dual Phase Extraction System - 500-850 CFM: Mobile liquid ring pump and motor, capable of achieving a flow rate of 500-850 CFM at a vacuum of 25" Hg, inlet manifold, drop out tank, seal water reservoir, controls, and all connecting fittings. This task does not include subsurface recovery components or electrical power.	Hour	$ 3.72
M1220	Air Compressor - 100 CFM, 100 PSIG, portable, diesel powered	0-8 Hr/Day	$ 65.00
M1511	Air Compressor - 100 CFM, 100 PSIG, portable, diesel powered	9-16 Hr/Day	$ 97.50
M1512	Air Compressor - 100 CFM, 100 PSIG, portable, diesel powered	17-24 Hr/Day	$ 130.00
M1221	Air Compressor - 100 CFM, 100 PSIG, portable, diesel powered	0-56 Hr/Week	$ 275.00
M1513	Air Compressor - 100 CFM, 100 PSIG, portable, diesel powered	57-112 Hr/Week	$ 412.50
M1514	Air Compressor - 100 CFM, 100 PSIG, portable, diesel powered	113-168 Hr/Week	$ 550.00
M1515	Air Compressor - 100 CFM, 100 PSIG, portable, diesel powered	Hour	$ 2.05
M1223	Air Compressor - 175 CFM, 100 PSIG, portable, diesel powered	0-8 Hr/Day	$ 75.00
M1516	Air Compressor - 175 CFM, 100 PSIG, portable, diesel powered	9-16 Hr/Day	$ 112.50
M1517	Air Compressor - 175 CFM, 100 PSIG, portable, diesel powered	17-24 Hr/Day	$ 150.00
M1224	Air Compressor - 175 CFM, 100 PSIG, portable, diesel powered	0-56 Hr/Week	$ 300.00
M1518	Air Compressor - 175 CFM, 100 PSIG, portable, diesel powered	57-112 Hr/Week	$ 450.00
M1519	Air Compressor - 175 CFM, 100 PSIG, portable, diesel powered	113-168 Hr/Week	$ 600.00
M1520	Air Compressor - 175 CFM, 100 PSIG, portable, diesel powered	Hour	$ 2.26
M1226	Air Compressor - 5 HP gas powered, 125 PSIG, 15 CFM	0-8 Hr/Day	$ 40.00
M1521	Air Compressor - 5 HP gas powered, 125 PSIG, 15 CFM	9-16 Hr/Day	$ 60.00
M1522	Air Compressor - 5 HP gas powered, 125 PSIG, 15 CFM*	17-24 Hr/Day	$ 80.00
M1227	Air Compressor - 5 HP gas powered, 125 PSIG, 15 CFM	0-56 Hr/Week	$ 140.00
M1523	Air Compressor - 5 HP gas powered, 125 PSIG, 15 CFM	57-112 Hr/Week	$ 210.00
M1524	Air Compressor - 5 HP gas powered, 125 PSIG, 15 CFM	113-168 Hr/Week	$ 280.00
M1525	Air Compressor - 5 HP gas powered, 125 PSIG, 15 CFM	Hour	$ .27
M1229	Air Compressor - 7.5 HP gas powered, 125 PSIG, 20 CFM	0-8 Hr/Day	$ 50.00
M1526	Air Compressor - 7.5 HP gas powered, 125 PSIG, 20 CFM	9-16 Hr/Day	$ 75.00
M1527	Air Compressor - 7.5 HP gas powered, 125 PSIG, 20 CFM	17-24 Hr/Day	$ 100.00
M1230	Air Compressor - 7.5 HP gas powered, 125 PSIG, 20 CFM	0-56 Hr/Week	$ 175.00
M1528	Air Compressor - 7.5 HP gas powered, 125 PSIG, 20 CFM	57-112 Hr/Week	$ 262.50
M1529	Air Compressor - 7.5 HP gas powered, 125 PSIG, 20 CFM	113-168 Hr/Week	$ 350.00
M1530	Air Compressor - 7.5 HP gas powered, 125 PSIG, 20 CFM	Hour	$ .43
M1238	Blower - Vapor Extraction - 10 hp, 190 SCFM	Day	$ 51.00
M1239	Blower - Vapor Extraction - 10 hp, 190 SCFM	Week	$ 204.00
M1531	Blower - Vapor Extraction - 10 hp, 190 SCFM	Hour	$ 0.33
M1241	Blower - Vapor Extraction - Positive Displacement, 500 Max. SCFM	Week	$ 170.00
M1532	Blower - Vapor Extraction - Positive Displacement, 500 Max. SCFM	Hour	$ 0.40
M1244	Blower - Vapor Extraction - Regenerative XP, 127 Max. SCFM	Day	$ 120.00
M1245	Blower - Vapor Extraction - Regenerative XP, 127 Max. SCFM	Week	$ 350.00
M1533	Blower - Vapor Extraction - Regenerative XP, 127 Max. SCFM	Hour	$ 0.97

M1247	Blower - Vapor Extraction - Regenerative XP, 160 Max. SCFM	Day	$ 135.00
M1248	Blower - Vapor Extraction - Regenerative XP, 160 Max. SCFM	Week	$ 400.00
M1534	Blower - Vapor Extraction - Regenerative XP, 160 Max. SCFM	Hour	$ 0.97
M1250	Blower - Vapor Extraction - Regenerative XP, 280 Max. SCFM	Day	$ 150.00
M1251	Blower - Vapor Extraction - Regenerative XP, 280 Max. SCFM	Week	$ 450.00
M1535	Blower - Vapor Extraction - Regenerative XP, 280 Max. SCFM	Hour	$ 1.57
M1253	Blower - Vapor Extraction - Regenerative XP, 345 Max. SCFM	Day	$ 160.00
M1254	Blower - Vapor Extraction - Regenerative XP, 345 Max. SCFM	Week	$ 475.00
M1536	Blower - Vapor Extraction - Regenerative XP, 345 Max. SCFM	Hour	$ 1.92
M1537	Dual Phase Extraction Treatment Assembly - Up to 12 GPM: Includes an oil-water separator, tray stripper with suitable blower, activated carbon vessels, transfer pumps, all necessary switches, controls, gauges, monitoring points, and connecting fittings. Maximum capacity of 12 gpm.	Day	$ 120.00
M1538	Dual Phase Extraction Treatment Assembly - Up to 12 GPM: Includes an oil-water separator, tray stripper with suitable blower, activated carbon vessels, transfer pumps, all necessary switches, controls, gauges, monitoring points, and connecting fittings. Maximum capacity of 12 gpm.	Week	$ 596.00
M1539	Dual Phase Extraction Treatment Assembly - Up to 12 GPM: Includes an oil-water separator, tray stripper with suitable blower, activated carbon vessels, transfer pumps, all necessary switches, controls, gauges, monitoring points, and connecting fittings. Maximum capacity of 12 gpm.	Hour	$ 4.01
M1540	Dual Phase Extraction Treatment Assembly - Up to 22 GPM: Includes an oil-water separator, tray stripper with suitable blower, activated carbon vessels, transfer pumps, all necessary switches, controls, gauges, monitoring points, and connecting fittings. Maximum capacity of 22 gpm.	Day	$ 120.00
M1541	Dual Phase Extraction Treatment Assembly - Up to 22 GPM: Includes an oil-water separator, tray stripper with suitable blower, activated carbon vessels, transfer pumps, all necessary switches, controls, gauges, monitoring points, and connecting fittings. Maximum capacity of 22 gpm.	Week	$ 598.00
M1542	Dual Phase Extraction Treatment Assembly - Up to 22 GPM: Includes an oil-water separator, tray stripper with suitable blower, activated carbon vessels, transfer pumps, all necessary switches, controls, gauges, monitoring points, and connecting fittings. Maximum capacity of 22 gpm.	Hour	$ 4.12
M1487	Free Product Skimmer System - Includes **one** product skimmer unit, controller, compressor, high water shut-off device, well-head assembly, and recovery drum. Does not include labor and materials to install operate, and maintain system, hoses, tubing, product disposal, or electrical power.	Week	$ 123.00
M1543	Free Product Skimmer System - Includes **one** product skimmer unit, controller, compressor, high water shut-off device, well-head assembly, and recovery drum. Does not include labor and materials to install operate, and maintain system, hoses, tubing, product disposal, or electrical power.	Hour	$ 0.99
M1489	Free Product Skimmer System - Includes **three** product skimmer units and controllers, compressor, high water shut-off device, well-head assembly, and recovery drum. Does not include labor and materials to install operate, and maintain system, hoses, tubing, product disposal, or electrical power.	Week	$ 187.00
M1544	Free Product Skimmer System - Includes **three** product skimmer units and controllers, compressor, high water shut-off device, well head assembly, and recovery drum. Does not include labor and materials to install operate, and maintain system, hoses, tubing, product disposal, or electrical power.	Hour	$ 1.59
M1491	Free Product Skimmer System - Includes **four** product skimmer units and controllers, compressor, high water shut-off device, well-head assembly, and recovery drum. Does not include labor and materials to install operate, and maintain system, hoses, tubing, product disposal, or electrical power.	Week	$ 415.00

M1545	Free Product Skimmer System - Includes **four** product skimmer units and controllers, compressor, high water shut-off device, well-head assembly, and recovery drum. Does not include labor and materials to install operate, and maintain system, hoses, tubing, product disposal, or electrical power.	Hour	$ 1.69
M1259	Generator: 4 kW, 120/240, gas powered	0-8 Hr/Day	$ 34.50
M1546	Generator: 4 kW, 120/240, gas powered	9-16 Hr/Day	$ 51.75
M1547	Generator: 4 kW, 120/240, gas powered	17-24 Hr/Day	$ 69.00
M1260	Generator: 4 kW, 120/240, gas powered	0-56 Hr/Week	$ 138.00
M1548	Generator: 4 kW, 120/240, gas powered	57-112 Hr/Week	$ 207.00
M1549	Generator: 4 kW, 120/240, gas powered	113-168 Hr/Week	$ 276.00
M1550	Generator: 4 kW, 120/240, gas powered	Hour	$ 0.30
M1262	Generator: 7.5 kW, 120/240, gas powered	0-8 Hr/Day	$ 68.00
M1551	Generator: 7.5 kW, 120/240, gas powered	9-16 Hr/Day	$ 102.00
M1552	Generator: 7.5 kW, 120/240, gas powered	17-24 Hr/Day	$ 136.00
M1263	Generator: 7.5 kW, 120/240, gas powered	0-56 Hr/Week	$ 271.00
M1553	Generator: 7.5 kW, 120/240, gas powered	57-112 Hr/Week	$ 406.50
M1554	Generator: 7.5 kW, 120/240, gas powered	113-168 Hr/Week	$ 542.00
M1555	Generator: 7.5 kW, 120/240, gas powered	Hour	$ 0.41
M1265	Generator: 10 kW, 120/240, gas powered	0-8 Hr/Day	$ 86.00
M1556	Generator: 10 kW, 120/240, gas powered	9-16 Hr/Day	$ 129.00
M1557	Generator: 10 kW, 120/240, gas powered	17-24 Hr/Day	$ 172.00
M1266	Generator: 10 kW, 120/240, gas powered	0-56 Hr/Week	$ 286.00
M1558	Generator: 10 kW, 120/240, gas powered	57-112 Hr/Week	$ 429.00
M1559	Generator: 10 kW, 120/240, gas powered	113-168 Hr/Week	$ 572.00
M1560	Generator: 10 kW, 120/240, gas powered	Hour	$ 0.54
M1268	Generator: 20 kW, 240/480, diesel powered	0-8 Hr/Day	$ 175.00
M1561	Generator: 20 kW, 240/480, diesel powered	9-16 Hr/Day	$ 262.50
M1562	Generator: 20 kW, 240/480, diesel powered	17-24 Hr/Day	$ 350.00
M1269	Generator: 20 kW, 240/480, diesel powered	0-56 Hr/Week	$ 375.00
M1563	Generator: 20 kW, 240/480, diesel powered	57-112 Hr/Week	$ 562.50
M1564	Generator: 20 kW, 240/480, diesel powered	113-168 Hr/Week	$ 750.00
M1565	Generator: 20 kW, 240/480, diesel powered	Hour	$ 1.93
M1271	Generator: 35 kW, 240/480, diesel powered, sound attenuated	0-8 Hr/Day	$ 195.00
M1566	Generator: 35 kW, 240/480, diesel powered, sound attenuated	9-16 Hr/Day	$ 292.50
M1567	Generator: 35 kW, 240/480, diesel powered, sound attenuated	17-24 Hr/Day	$ 390.00
M1272	Generator: 35 kW, 240/480, diesel powered, sound attenuated	0-56 Hr/Week	$ 425.00
M1568	Generator: 35 kW, 240/480, diesel powered, sound attenuated	57-112 Hr/Week	$ 637.50
M1569	Generator: 35 kW, 240/480, diesel powered, sound attenuated	113-168 Hr/Week	$ 850.00
M1570	Generator: 35 kW, 240/480, diesel powered, sound attenuated	Hour	$ 4.20
M1274	Generator: 50 kW, 240/480, diesel powered, sound attenuated	0-8 Hr/Day	$ 225.00

M1571	Generator: 50 kW, 240/480, diesel powered, sound attenuated	9-16 Hr/Day	$ 337.50
M1572	Generator: 50 kW, 240/480, diesel powered, sound attenuated	17-24 Hr/Day	$ 450.00
M1275	Generator: 50 kW, 240/480, diesel powered, sound attenuated	0-56 Hr/Week	$ 550.00
M1573	Generator: 50 kW, 240/480, diesel powered, sound attenuated	57-112 Hr/Week	$ 825.00
M1574	Generator: 50 kW, 240/480, diesel powered, sound attenuated	113-168 Hr/Week	$ 1,100.00
M1575	Generator: 50 kW, 240/480, diesel powered, sound attenuated	Hour	$ 5.01
M1576	Generator: 65 kW, 240/480, diesel powered, sound attenuated	0-8 Hr/Day	$ 230.00
M1577	Generator: 65 kW, 240/480, diesel powered, sound attenuated	9-16 Hr/Day	$ 345.00
M1578	Generator: 65 kW, 240/480, diesel powered, sound attenuated	17-24 Hr/Day	$ 460.00
M1579	Generator: 65 kW, 240/480, diesel powered, sound attenuated	0-56 Hr/Week	$ 620.00
M1580	Generator: 65 kW, 240/480, diesel powered, sound attenuated	57-112 Hr/Week	$ 930.00
M1581	Generator: 65 kW, 240/480, diesel powered, sound attenuated	113-168 Hr/Week	$ 1,240.00
M1582	Generator: 65 kW, 240/480, diesel powered, sound attenuated	Hour	$ 6.59
M1583	Hour Meter - AC, Non-resettable	Each	$ 50.00
M0439	Oil/Water Separator with Product Collection Tank (550 Gallon)	Day	$ 134.00
M0440	Oil/Water Separator with Product Collection Tank (550 Gallon)	Week	$ 498.00
M1584	Oil/Water Separator with Product Collection Tank (550 Gallon)	Hour	$ 0.67
M0442	Oil/Water Separator with Product Collection Tank (1,000 Gallon)	Day	$ 186.00
M0443	Oil/Water Separator with Product Collection Tank (1,000 Gallon)	Week	$ 650.00
M1585	Oil/Water Separator with Product Collection Tank (1,000 Gallon)	Hour	$ 0.76
M1200	Pneumatic Pump - 2" including controller and compressor	Day	$ 150.00
M1201	Pneumatic Pump - 2" including controller and compressor	Week	$ 350.00
M1586	Pneumatic Pump - 2" including controller and compressor	Hour	$ 0.85
M0307	Portable Tank - 525 gal. polyethylene	Day	$ 25.50
M0308	Portable Tank - 525 gal. polyethylene	Week	$ 102.00
M1587	Portable Tank - 525 gal. polyethylene	Each	$ 560.00
M1588	Portable Tank - 1,000 gal. Polyethylene	Day	$ 29.00
M1589	Portable Tank - 1,000 gal. Polyethylene	Week	$ 115.00
M1590	Portable Tank - 1,000 gal. Polyethylene	Each	$ 1,450.00
M1591	Portable Tank - 1,600 gal. Polyethylene	Day	$ 37.00
M1592	Portable Tank - 1,600 gal. Polyethylene	Week	$ 147.00
M1593	Portable Tank - 1,600 gal. Polyethylene	Each	$ 1,700.00
M1140	Portable Tank - 4,000 gal. Polyethylene	Day	$ 38.00
M1141	Portable Tank - 4,000 gal. Polyethylene	Week	$153.00
M1594	Portable Tank - 4,000 gal. Polyethylene	Each	$ 3,650.00
M0413	Skimmer Pump - 2" including compressor, controller, and probe	Week	$ 300.00
M1595	Skimmer Pump - 2" including compressor, controller, and probe	Hour	$ 0.84
M1205	Submersible 2" Total Fluids Pump including controller	Day	$ 153.00
M1206	Submersible 2" Total Fluids Pump including controller	Week	$ 435.00
M1596	Submersible 2" Total Fluids Pump including controller	Hour	$ 0.91
M1208	Submersible 4" Total Fluids Pump, 1 hp, 15 gpm	Day	$ 100.00

M1209	Submersible 4" Total Fluids Pump, 1 hp, 15 gpm	Week	$ 235.00
M1597	Submersible 4" Total Fluids Pump, 1 hp, 15 gpm	Hour	$ 0.54
M1211	Submersible 4" Total Fluids Pump, 1 hp, 25 gpm	Day	$ 150.00
M1212	Submersible 4" Total Fluids Pump, 1 hp, 25 gpm	Week	$ 335.00
M1598	Submersible 4" Total Fluids Pump, 1 hp, 25 gpm	Hour	$ 0.54
M1214	Submersible 4" Total Fluids Pump, 1 hp, 5 gpm	Day	$ 75.00
M1215	Submersible 4" Total Fluids Pump, 1 hp, 5 gpm	Week	$ 200.00
M1599	Submersible 4" Total Fluids Pump, 1 hp, 5 gpm	Hour	$ 0.51
M1600	Telemetry System & Autodialer with programmable logic controllers; does not include land based or mobile phone service. Purchase of telemetry systems will be authorized only for long-term use or purchase of remediation system.	Each	$ 2,675.00
M0430	Trash Pump - 2"	0-8 Hr/Day	$ 40.00
M1601	Trash Pump - 2"	9-16 Hr/Day	$ 60.00
M1602	Trash Pump - 2"	17-24 Hr/Day	$ 80.00
M0431	Trash Pump - 2"	0-56 Hr/Week	$ 140.00
M1603	Trash Pump - 2"	57-112 Hr/Week	$ 210.00
M1604	Trash Pump - 2"	113-168 Hr/Week	$ 280.00
M1605	Trash Pump - 2"	Hour	$ 0.28
M1217	Trash Pump - 3"	0-8 Hr/Day	$ 50.00
M1606	Trash Pump - 3"	9-16 Hr/Day	$ 75.00
M1607	Trash Pump - 3"	17-24 Hr/Day	$ 100.00
M1218	Trash Pump - 3"	0-56 Hr/Week	$ 175.00
M1608	Trash Pump - 3"	57-112 Hr/Week	$ 262.50
M1609	Trash Pump - 3"	113-168 Hr/Week	$ 350.00
M1610	Trash Pump - 3"	Hour	$ 0.42
M1256	Ventilation/Exhaust Blower - Explosion Proof 1,570 CFM, 3/4 hp	Day	$ 75.00
M1257	Ventilation/Exhaust Blower - Explosion Proof 1,570 CFM, 3/4 hp	Week	$ 145.00
M1611	Ventilation/Exhaust Blower - Explosion Proof 1,570 CFM, 3/4 hp	Hour	$ 0.36
M0310	Ventilation/Exhaust Fan - 5,000 CFM, 1/2 hp	Day	$ 30.00
M0311	Ventilation/Exhaust Fan - 5,000 CFM, 1/2 hp	Week	$ 105.00
M1612	Ventilation/Exhaust Fan - 5,000 CFM, 1/2 hp	Each	$ 300.00
M1613	Air Hose - 1/4" ID x 50' with NPT couplings, 250 psi	Day	$ 1.00
M1614	Air Hose - 1/4" ID x 50' with NPT couplings, 250 psi	Week	$ 4.00
M1615	Air Hose - 1/4" ID x 50' with NPT couplings, 250 psi	Each	$ 25.00
M1616	Air Hose - 1/4" ID x 100' with NPT couplings, 250 psi	Day	$ 2.00
M1617	Air Hose - 1/4" ID x 100' with NPT couplings, 250 psi	Week	$ 6.00
M1618	Air Hose - 1/4" ID x 100' with NPT couplings, 250 psi	Each	$ 45.00
M1619	Air Hose - 3/8" ID x 50' with NPT couplings, 250 psi	Day	$ 1.00
M1620	Air Hose - 3/8" ID x 50' with NPT couplings, 250 psi	Week	$ 4.00
M1621	Air Hose - 3/8" ID x 50' with NPT couplings, 250 psi	Each	$ 25.00
M1622	Air Hose - 3/8" ID x 100' with NPT couplings, 250 psi	Day	$ 2.00

M1623	Air Hose - 3/8" ID x 100' with NPT couplings, 250 psi	Week	$ 8.00
M1624	Air Hose - 3/8" ID x 100' with NPT couplings, 250 psi	Each	$ 60.00
M1625	Air Hose - 1/2" ID x 50' with NPT couplings, 250 psi	Day	$ 2.00
M1626	Air Hose - 1/2" ID x 50' with NPT couplings, 250 psi	Week	$ 5.00
M1627	Air Hose - 1/2" ID x 50' with NPT couplings, 250 psi	Each	$ 35.00
M1628	Air Hose - 1/2" ID x 100' with NPT couplings, 250 psi	Day	$ 3.00
M1629	Air Hose - 1/2" ID x 100' with NPT couplings, 250 psi	Week	$ 10.00
M1630	Air Hose - 1/2" ID x 100' with NPT couplings, 250 psi	Each	$ 75.00
M1631	Air Hose - 1" ID x 50' with NPT couplings, 250 psi	Day	$ 4.00
M1632	Air Hose - 1" ID x 50' with NPT couplings, 250 psi	Week	$ 13.00
M1633	Air Hose - 1" ID x 50' with NPT couplings, 250 psi	Each	$ 97.00
M1634	Air Hose - 1" ID x 100' with NPT couplings, 250 psi	Day	$ 6.00
M1635	Air Hose - 1" ID x 100' with NPT couplings, 250 psi	Week	$ 24.00
M1636	Air Hose - 1" ID x 100' with NPT couplings, 250 psi	Each	$ 185.00
M0331	Discharge Hose - 2" ID x 50'	Day	$ 7.00
M0332	Discharge Hose - 2" ID x 50'	Week	$ 16.00
M1637	Discharge Hose - 2" ID x 50'	Each	$ 75.00
M0334	Discharge Hose - 3" ID x 50'	Day	$ 10.00
M0335	Discharge Hose - 3" ID x 50'	Week	$ 25.00
M1638	Discharge Hose - 3" ID x 50'	Each	$ 125.00
M1639	Suction Hose w/Couplings - 1 1/4" ID x 20'	Day	$ 2.00
M1640	Suction Hose w/Couplings - 1 1/4" ID x 20'	Week	$ 6.00
M1641	Suction Hose w/Couplings - 1 1/4" ID x 20'	Each	$ 45.00
M0349	Suction Hose w/Couplings - 2" ID x 20'	Day	$ 6.00
M0350	Suction Hose w/Couplings - 2" ID x 20'	Week	$ 17.00
M1642	Suction Hose w/Couplings - 2" ID x 20'	Each	$ 85.00
M0352	Suction Hose w/Couplings - 3" ID x 20'	Day	$ 8.00
M0353	Suction Hose w/Couplings - 3" ID x 20'	Week	$ 25.00
M1643	Suction Hose w/Couplings - 3" ID x 20'	Each	$ 140.00
M0355	Suction Hose w/Couplings - 4" ID x 20'	Day	$ 24.00
M0356	Suction Hose w/Couplings - 4" ID x 20'	Week	$ 48.00
M1644	Suction Hose w/Couplings - 4" ID x 20'	Each	$ 230.00
M0358	Suction Hose w/Couplings - 6" ID x 20'	Day	$ 44.00
M0359	Suction Hose w/Couplings - 6" ID x 20'	Week	$ 95.00
M1645	Suction Hose w/Couplings - 6" ID x 20'	Each	$ 395.00
C1009	Telephone service (land based or mobile) for remediation system telemetry use only. Phone service for telemetry must be billed separately.	Utlity	Reimbursed at Cost

Attachment 2

Existing Sites Leasing Remediation Equipment > 150% of Purchase Value

	PC Number	Region
1	90-0713	NVRO
2	91-0913	NVRO
3	92-1191	NVRO
4	92-1888	NVRO
5	93-1615	NVRO
6	95-3676	NVRO
7	96-3145	NVRO
8	96-3153	NVRO
9	97-3145	NVRO
10	98-3650	NVRO
11	98-3778	NVRO
12	99-3018	NVRO
13	99-3098	NVRO
14	90-1393	VRO
15	97-5043	VRO
16	97-5089	VRO
17	98-5016	VRO
18	00-6114	VRO
19	93-1023	SCRO
20	93-1696	SCRO

Attachment 3

Date

Addressee:

Re: PC ##-####, Site Name

Dear _____

An audit of claims submitted for reimbursement from the Virginia Petroleum Storage Tank Fund for costs incurred at this site has revealed that amounts in excess of 150% of the purchase price have been reimbursed for remediation equipment codes T/M####, T/M####, T/M####. Guidance in the Reimbursement Guidance Manual states that the decision to rent or purchase equipment should be based on the option that gives the lowest overall cost. In this instance, the total amount already reimbursed for the equipment listed exceeds the estimated purchase price by more than 50%. The statutory mandate of the Reimbursement Program is to reimburse a reasonable amount for corrective actions. Therefore, no additional costs for the equipment codes listed above will be reimbursed. Amounts approved for reimbursement but in "delayed payment' as well as amounts claimed in claims received but not processed will be reimbursed in accordance with program procedures. Future costs for repair or replacement of this equipment remain eligible for reimbursement.

If you believe the cost of leasing rather than purchasing can be justified, you may submit your rational to this office for further evaluation. If you have other questions concerning this procedure or information in this letter contact _____.

Sincerely,

Attachment 4

Date

Addressee:

Re: PC ##-####, Site Name

Dear _____

The monthly lease rates for remediation equipment (*e.g. pumps, blowers, compressors, air strippers, hoses)* listed in DEQ's list of UCRs and used to authorize equipment currently in use at the above referenced site were not intended for long-term use. The current monthly rates have produced reimbursement claim amounts that are disproportionate to the cost of the equipment because the assumptions upon which the current rates are based are no longer valid. One reason the current rates are high in comparison to the cost to purchase the equipment is the model presumed relatively short but frequent applications rather than dedicating equipment to a single site for continual use. In response to this change in use, the assumptions in the models used to develop the rates were revisited and parameters more in keeping with current applications were used to compute new rates. The new rates and authorization codes are more appropriate for long-term use. The new long-term rates will be used to authorize remediation equipment used more than 8 weeks.

Equipment which was pre-authorized and completed, will be verified and reimbursed using the existing monthly rates and in accordance with program procedure. However, pre-authorized units for monthly use of equipment that have not been performed will be reauthorized using the new long-term rates and codes. A new AAF should be submitted to this office to reauthorize the remaining, unused units using the appropriate new codes selected from the attached table. For reference, a week of continuous use is equivalent to 168 hours and a month of continuous use is equivalent to 729 hours. Use of current *monthly* rates for remediation equipment has been discontinued. The current daily and weekly codes and rates remain unchanged and may be authorized for equipment use of up to 4 days or 8 weeks respectively.

If you have questions concerning the use of the new codes or information in this letter, please contact _____.

Sincerely